

Message Text

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ACTION ERDA-07

INFO OCT-01 EUR-12 ISO-00 AID-05 CEA-01 CIAE-00 CIEP-02

COME-00 DODE-00 EB-07 FEAE-00 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-15

SAM-01 OES-05 SP-02 SS-15 STR-04 TRSE-00 PA-02 PRS-01

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R 201800Z JAN 76

FM AMEMBASSY ROME

TO SECSTATE WASHDC 5249

UNCLAS SECTION 1 OF 2 ROME 0953

E.O. 11652: N/A

TAGS: ENRG, TECH, IT

SUBJ: BACKGROUND INFORMATION ON FOREIGN ENERGY PROGRAMS - ITALY

REF : 75 STATE 301432

1. INFORMATION ON ITALIAN ENERGY R & D REQUESTED REFTEL
CONTAINED IN EMBASSY REPORTING AS WELL AS VARIOUS REPORTS OF
INTERNATIONAL ORGANIZATIONS SUCH AS IEA, OECD AND EC.
THUS, EMBASSY CONTRIBUTION TO ERDA STUDY WILL SEEK TO SUPPLEMENT
THESE DOCUMENTS TO EXTENT POSSIBLE. IF ERDA RESEARCHERS HAVE
SPECIFIC QUESTIONS AFTER EXAMINING MATERIAL AVAILABLE IN
WASHINGTON, EMBASSY OF COURSE STANDS READY TO CLARIFY ANY
POINTS OR RESPOND TO ADDITIONAL QUESTIONS. EMBASSY WOULD
APPRECIATE RECEIVING COPY OF FINAL ERDA PRODUCT.

2. GENERAL BACKGROUND MATERIALS INCLUDE:

(A) "SCIENCE AND TECHNOLOGY IN ITALY - ENERGY" - REPORT
PREPARED BY SCIATT IN MAY, 1975, TRANSMITTED BY ROME
A-224, 5/16/75 (REFERRED TO BELOW AS STI-E); AND (B)
ITALIAN NATIONAL ENERGY PLAN (NEP), ROME A-485, 10/23/75;
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ROME A-4, 1/7/76; AND STATE DEPARTMENT LANGUAGE SERVICES

NO. 50811 (TRANSLATION OF NUCLEAR ENERGY SECTION).

3. (REFTEL - OVERALL GOVERNMENT STRUCTURE I, II) SEE STI-E; CNEN, ENI, ENEL ANNUAL REPORTS. EMBASSY SUPPLEMENTARY COMMENTS: PARLIAMENT IS ULTIMATELY RESPONSIBLE FOR PROVIDING POLICY LINES AND APPROVING FUNDING FOR GOI ENERGY POLICY; IN PRACTICE, MINISTRIES AND STATE-CONTROLLED ENTITIES HAVE CONSIDERABLE AUTONOMY IN ENERGY MATTERS. MOST IMPORTANT INSTITUTIONS INCLUDE: (A) MINISTRY OF INDUSTRY (PARTICULARLY DIRECTORATE GENERAL FOR ENERGY SOURCES AND BASIC INDUSTRY): DESPITE VIRTUALLY UNLIMITED MANDATE (MINISTRY IS FORMALLY RESPONSIBLE FOR DETERMINING AND COORDINATING DOMESTIC ENERGY POLICY, REGULATING OIL COMPANY OPERATIONS, SUPERVISING STATE-ELECTRICITY AUTHORITY ENEL, DIRECTING DOMESTIC ENERGY CONSERVATION EFFORT, ETC.), MINISTRY IS WOEFULLY UNDERSTAFFED AND LACKING IN TECHNOLOGICAL RESOURCES AND EXPERTISE. MINISTRY MUST ALSO PROVIDE EXPERTS FOR GOI DELEGATIONS TO INTERNATIONAL ENERGY BODIES, SUCH AS IEA/SLT.

(B) MINISTRY FOR COORDINATION OF SCIENTIFIC RESEARCH AND TECHNOLOGY. IMPRESSIVE TITLE IS OFFSET BY LACK OF SOLID ORGANIZATIONAL STRUCTURE AND JURISDICTIONAL CONFLICTS WITH OTHER GOI BODIES AND THE SPECIALIZED RESEARCH INSTITUTIONS WHICH PERFORM ACTUAL RESEARCH.

(C) MINISTRY OF FOREIGN AFFAIRS: WITHOUT "IN-HOUSE" EXPERTISE, MINISTRY COORDINATES INTERNATIONAL ASPECTS OF GOI ENERGY POLICY IN IEA, EEC, IAEA, EURATOM, ETC. TECHNICAL INPUT FURNISHED BY OTHER GOI ENTITIES.

(D) ENI (STATE-CONTROLLED NATIONAL HYDROCARBONS AGENCY, WHICH CONTROLS OPERATING COMPANIES IN PETROLEUM AND NATURAL GAS EXPLORATION, PRODUCTION AND DISTRIBUTION, CHEMICALS AND NUCLEAR FUEL CYCLE): AS ITALY'S ONLY INTEGRATED DOMESTICALLY OIL AND GAS COMPANY, ENI HAS AN IMPORTANT INFLUENCE ON GOI PETROLEUM AND ENERGY POLICY. IN NUCLEAR AREA, ENI INFLUENCE WILL GROW AS ENTITY ASSUMES GREATER RESPONSIBILITIES FOR SUPPLY AND PROCESSING OF NUCLEAR FUELS FOR DOMESTIC NUCLEAR POWER GENERATION.

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(E) ENEL (NATIONAL ELECTRICITY AUTHORITY): MAJOR DOMESTIC ELECTRICITY PRODUCER, ENEL ALSO PERFORMS ENERGY RESEARCH IN GEOTHERMAL AND OTHER FIELDS RELATED TO ELECTRICITY PRODUCTION AND DISTRIBUTION. FINANCIAL PROBLEMS ARE ENEL'S ACHILLES HEEL, SEVERELY LIMITING ITS ABILITY TO PROFIT FROM ITS EFFORTS.

(F) CNEN (NATIONAL NUCLEAR ENERGY COMMITTEE): SIMILAR IN

SCOPE TO THAT OF OLD AEC (I.E. NUCLEAR RESEARCH AND REGULATION, EXCEPT CNEN SHARES LATTER FUNCTION WITH MINISTRY OF INDUSTRY), CNEN PROGRAMS AND OPERATIONS WILL BE RESTRUCTURED UNDER PROPOSALS CURRENTLY UNDER EXAMINATION. OPERATIONAL RESPONSIBILITIES IN NUCLEAR FUEL CYCLE WOULD BE TRANSFERRED TO ENI, BUT APPLIED RESEARCH EFFORTS WOULD BE BEEFED-UP.

(G) CNR (NATIONAL RESEARCH COUNCIL): CNR IS INFLUENTIAL IN IDENTIFYING AND SPONSORING RESEARCH PROJECTS (INCLUDING RESEARCH PERFORMED BY BODIES SUCH AS ENEL AND CNR'S PRINCIPAL BENEFICIARY INFN, SPECIALIZING IN HIGH-ENERGY PHYSICS). RESEARCHES ENERGY CONSERVATION PROJECTS, AND REPRESENTS ITALY ON NATO-SPONSORED CCMS PROGRAMS.

(H) CIPE (INTERMINISTERIAL ECONOMIC PLANNING COMMITTEE): A KEY COMMITTEE CONSISTING OF CABINET MINISTERS WITH RESPONSIBILITY FOR GOI ECONOMIC DECISIONS. ONCE APPROVED BY CIP, MEASURES MAY BE IMPLEMENTED ADMINISTRATIVELY OR SENT TO PARLIAMENT FOR RATIFICATION. CIPE DOES NOT INITIATE PROGRAMS, BUT IT IS A MAJOR FORUM FOR RESOLVING DIFFERENCES AMONG MINISTRIES INVOLVED IN ECONOMIC AFFAIRS, INCLUDING ENERGY.

4. (REFTEL - ENERGY POLICY I, A) SEE EMBASSY REPORTING; PARTICULARLY, 75 ROME 1200 (ENERGY AND CONSERVATION MEASURES); ROME A-154, 4/2/75 (INDUSTRY CONTRIBUTION TO GOI ENERGY POLICY); NATIONAL ENERGY PLAN REPORTING; IEA/SLT (75)125 (REVIEW OF NATIONAL ENERGY PROGRAMS, P. 31 - ITALY); IEA/SLT(75)69 (REVIEW OF NATIONAL ENERGY PROGRAMS - COLLATED TABLES); AND IEA/SLT(75)126 (CONSERVATION ACTIVITIES). ABOVE LIST IS NEITHER INCLUSIVE NOR EXHAUSTIVE. EMBASSY SUPPLEMENTAL COMMENTS: ITALIAN ENERGY POLICY IS STRONGLY CONDITIONED BY ITS LACK OF ENERGY RESOURCES AND EXTREME DEPENDENCE ON IMPORTED, PRINCIPALLY PETROLEUM, ENERGY. THIS FINDS UNCLASSIFIED

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EXPRESSION IN ITALIAN RELATIONS WITH BOTH OIL-PRODUCING COUNTRIES AND INDUSTRIALIZED CONSUMING COUNTRIES. WITH OIL PRODUCERS (INCLUDING USSR), GOI POLICY EMPHASIZES NON-CONFRONTATION AND MAINTENANCE OF GOOD RELATIONS, A COMMERCIAL IMPERATIVE AS WELL SINCE OIL-PRODUCING COUNTRIES PROVIDE KEY ITALIAN EXPORT MARKETS. POLICY /VIS A VIS/ CONSUMERS STRESSES COOPERATION TO EXPLORE JOINT MEANS OF DEVELOPING ALTERNATIVE ENERGY SOURCES, EMERGENCY OIL SHARING AND FREEDOM OF ACCESS TO ENERGY RESOURCES. ITALIAN ENERGY POLICY DERIVES MUCH FROM THE OPPORTUNITIES PROVIDED BY ITALIAN MEMBERSHIP IN THE IEA AND THE EEC.

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INFO OCT-01 EUR-12 ISO-00 AID-05 CEA-01 CIAE-00 CIEP-02

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E.O. 11652: N/A

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5. (REFTEL - ENERGY POLICY I B-4) SEE PARTICULARLY (LETTERS KEYED TO REFTEL): (B) PRIORITIES - SEE STI-E, PAGES 5-8, 15,28,60-64,90-2; (C) GOVERNMENT LABORATORY ROLE - SEE STI-E, PAGES 5-15,16-7,28-31,60-4; (D) GOVERNMENT-INDUSTRY - SEE STI-E, PAGES 1,13,62-4,90-2; (E) PRIVATE INDUSTRY - SEE STI-E, PAGES 1,91-2.

6. (REFTEL - ENERGY POLICY, II-B - BUDGET) BASIC SOURCE MATERIALS ARE ANNUAL REPORTS OF RESEARCH AND ENERGY AGENCIES; 75 ROME 2969 ON PROPOSED SPENDING USEFUL TOO. OFFICIAL RESEARCH FIGURES AVAILABLE TO EMBASSY INDICATE ANNUAL EXPENDITURES ON ORDER OF 1,000 BILLION LIRE (\$1.4 BILLION); IN AVAILABLE DETAIL BY AGENCY BY LINE OF RESEARCH:

(A) NATIONAL RESEARCH COUNCIL (CNR) FOR CY 1975:

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- GENERAL ENERGY 0.10 BILLION LIRE \$1.5 MILLION
- GEOTHERMAL/SOLAR/
WIND ENERGY 0.25 " " 3.8 "
TOTAL - CNR 0.35 " " 5.3 "

(B) NATIONAL NUCLEAR ENERGY COMMITTEE (CNEN) FOR CY 1975

- NUCLEAR ENERGY -
ALL ASPECTS 69.59 BILLION LIRE \$1,065.7 MILLION

(C) NATIONAL HYDROCARBONS AGENCY (ENI) FOR CY 1975

- OIL AND DRILLING
RESEARCH 1.01 BILLION LIRE \$15.5 MILLION
- TRADITIONAL FUEL
RESEARCH 5.63 " " 86.2 "
- NUCLEAR FUEL
RESEARCH 6.07 " " 93.0 "
TOTAL - ENI 12.71 " " \$194.7 "

(D) NATIONAL ELECTRICITY AUTHORITY (ENEL) FOR CY 1974

- GENERAL ENERGY
(CONSERVATION,
TRANSPORT, ETC.) 6.03 BILLION LIRE \$92.8 MILLION
- GEOTHERMAL 1.50 " " 23.1 "
- NUCLEAR 3.55 " " 54.6 "
TOTAL - ENEL 11.08 " " \$170.5 "

NOTE: FISCAL YEAR IS SAME AS CALENDAR YEAR. EXCHANGE
RATE FOR 1975 IS LIRE 653 EQUALS \$1; FOR 1974, LIRE 650
EQUALS \$1.

7. UNDER PREPARATION ARE CONTRIBUTIONS:

(A) EMBASSY SUPPLEMENTARY COMMENTS ON R & D PRIORITIES,
ROLE OF GOVERNMENT LABORATORIES, JOINT INDUSTRY-GOVERNMENT
ACTIVITIES, PRIVATE INDUSTRY ROLE, AND BASIC LEGISLATION
(REFTEL - ENERGY POLICY I, B-F).

(B) STATUS AND OUTLOOK FOR FUTURE R & D ACTIVITIES
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(REFTEL ENERGY POLICY:- II,A).

(C) INTERNATIONAL ACTIVITIES (REFTEL INTERNATIONAL
ACTIVITIES II,II).VOLPE

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